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Honorable Christopher M. Alston
Chapter 11

7 UNITED STATES BANKRUPTCY COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 In re:

11 NORTHWEST TERRITORIAL MINT,
LLC,

12 Debtor.
13

Case No. 16-11767-CMA

DECLARATION OF MARK CALVERT IN
SUPPORT OF MOTION TO APPROVE TERMS
OF SEVERANCE AGREEMENT WITH EDGAR
CHACON

14 I, Mark Calvert, declare as follows:

15 1. I am the Chapter 11 Trustee of Northwest Territorial Mint, LLC ("NWTM" or
16 "Debtor") pursuant to the Court's order of appointment dated April 11, 2016. I am over eighteen
17 (18) years of age and I am competent in all ways to testify. Unless otherwise stated, I make the
18 following statements based on my personal knowledge. I submit this Declaration in support of the
19 Motion to Approve Terms of Severance Agreement with Edgar Chacon (the "Motion").

20 2. Since May 2017, I have engaged in extensive marketing efforts related to a potential
21 sale of the business. I entertained expressions of interest from multiple parties including offers to
22 purchase the assets of the estate on a going concern basis for substantially all of the assets of the
23 estate. No concrete offer materialized for such a sale on terms which provided any meaningful return
24 to the estate. I have been forced to shut down the company's operations and liquidate the Debtor's
25 assets.
26

DECLARATION OF MARK CALVERT IN SUPPORT OF
MOTION TO APPROVE TERMS OF SEVERANCE
AGREEMENT WITH EDGAR CHACON- 1

501595533 v3

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1 3. Since the beginning of this year, I have engaged in negotiations with multiple buyers
2 for various assets of the estate. I have separately reached agreements with Industrial Assets Corp.
3 (“Industrial Assets”), Medalcraft Mint, Inc. (“Medalcraft”), and American Numismatic Society, for
4 the purchase and sale of certain assets of the Debtor. The Industrial Assets and Medalcraft
5 agreements were approved by the Court and have closed. The sale to Industrial Assets Corp.
6 included substantially all of the Debtor’s physical machinery and equipment. Medalcraft purchased
7 the Medallic Art name and website; marketing materials; Medallic archives; customer list; sales
8 history; vendor list; certain company owned dies associated with any customer for which there has
9 been a sale in the last 20 years; tools; and woodworking equipment and other assets. The sale to
10 American Numismatic includes older Medallic dies, medals, plaques, and other objects and archives
11 that were created prior to January 1, 1998. The sale to American Numismatic Society was recently
12 approved by this Court.

13 4. One of the Debtor’s facilities is located in Dayton, Nevada. That facility housed the
14 majority of the Debtor’s custom minting operations. I closed business operations in Dayton at the
15 end of December 2017. I have until the end of July to vacate the Dayton premises before Bob and
16 Connie Hoff, the landlord, may commence an unlawful detainer action under state law. The majority
17 of staff in Dayton, Nevada has been laid off and only a skeleton staff of five employees remains.

18 5. Edgar Chacon is the plant manager of Dayton and has a wide array of duties, which
19 include but are not limited to managing the shut down of the company, arranging the shipment of
20 dies, preparing items of property for sale, assisting with records retention or destruction, and
21 maintaining the building in accordance with lease obligations. There is no other employee in Dayton
22 that has the capability of performing the duties of Mr. Chacon, which are essential to my ability to
23 wind down the company and liquidate the assets in Dayton, Nevada.

24 6. In early May, I reached an agreement with Mr. Chacon to ensure that he will stay
25 employed through the closing and move-out of the Dayton, facility. Consistent with my
26

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AGREEMENT WITH EDGAR CHACON- 2

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1 understanding with Mr. Chacon, I have prepared a letter agreement for the Court's approval that is
2 attached hereto as Exhibit A (the "Severance Agreement").

3 7. The Severance Agreement with Mr. Chacon provides that I will pay Mr. Chacon
4 severance in the amount of \$14,700 (approximately two months of pay) on July 8, 2018. In
5 exchange, Mr. Chacon promises to continue working for the estate until such time that all tasks in
6 Dayton are completed or until I determine that his employment is no longer necessary. Mr. Chacon
7 will not seek, or accept other employment during this time. Under the agreement, Mr. Chacon will
8 continue to be paid his existing normal hourly rate, at no less than 40 hours a week. All overtime, if
9 approved, will be paid as time and a half.

10 8. If Mr. Chacon were to leave, I would be forced to locate and hire someone to perform
11 Mr. Chacon's duties on a short-term basis. It would be very difficult to find such a person on short
12 notice and such a person will not have the institutional knowledge and experience of Mr. Chacon.
13 Even if I were able to find such an individual to hire, I would be forced to travel to Dayton often to
14 supervise the management of the Dayton facility and oversee the sale and shipment of remaining
15 property located in that facility.

16 9. For the foregoing reasons, I believe that approval of the Severance Agreement is in
17 the best interests of the estate and justified under the circumstances. I therefore request that the Court
18 approve the Motion.

19 I declare under the penalty of perjury under the laws of the United States that the foregoing is
20 true and correct to the best of my knowledge.

21 EXECUTED this 15th day of June, at Seattle, Washington.

22
23 /s/ Mark Calvert

24 Mark Calvert
25
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DECLARATION OF MARK CALVERT IN SUPPORT OF
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AGREEMENT WITH EDGAR CHACON- 3

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CERTIFICATE OF SERVICE

The undersigned declares as follows:

That she is a Paralegal in the law firm of K&L Gates LLP, and on June 15, 2018, she caused the foregoing document to be filed electronically through the CM/ECF system which caused Registered Participants to be served by electronic means, as fully reflected on the Notice of Electronic Filing.

Also on June 15, 2018, she caused the foregoing document to be placed in the mail to the Parties at the addresses listed below:

Northwest Territorial Mint LLC
c/o Ross Hansen, Member
P.O. Box 2148
Auburn, WA 98071-2148

Mr. Edgar Chacon
80 E. Airpark Vista Blvd
Dayton, NV 89403

I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct.

Executed on the 15th day of June, 2018 at Seattle, Washington.

/s/ Denise A. Lentz
Denise A. Lentz

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